

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors.

JANUARY 2018 POST-EFFECTIVE OPERATING REPORT

JANUARY 1, 2018 – JANUARY 31, 2018
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: February 28, 2018

SCHEDULE OF DEBTORS

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

	Case No.	Date Filed (“Commencement Date”)
Lehman Brothers Holdings Inc. (“LBHI”)	08-13555	9/15/2008
Lehman Brothers Commodity Services Inc. (“LBCS”)	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”)	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”)	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”)	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”)	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009

The following Debtors’ chapter 11 cases were closed in 2016, pursuant to final decrees entered by the Bankruptcy Court (Docket No. 51920 and Docket No. 54163):

	Case No.	Date Filed	Date Closed
LB 745 LLC.....	08-13600	9/16/2008	1/28/2016
PAMI Statler Arms LLC.....	08-13664	9/23/2008	1/28/2016
CES Aviation LLC	08-13905	10/5/2008	1/28/2016
CES Aviation V LLC.....	08-13906	10/5/2008	1/28/2016
CES Aviation IX LLC	08-13907	10/5/2008	1/28/2016
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009	1/28/2016
LB Somerset LLC	09-17503	12/22/2009	1/28/2016
LB Preferred Somerset LLC	09-17505	12/22/2009	1/28/2016
East Dover Limited.....	08-13908	10/5/2008	12/15/2016
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009	12/15/2016
Merit LLC.....	09-17331	12/14/2009	12/15/2016

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

Please email questions, with document references as relevant, to:

QUESTIONS@lehmanholdings.com

The Company’s previously posted responses can be found on the Epiq website maintained for the Company:

www.lehman-docket.com under the Key Documents tab and the Responses to Questions Submitted category

LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

**BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
JANUARY 1, 2018 – JANUARY 31, 2018**

The information and data included in this January 2018 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

Other items:

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
 - Cash posted as collateral for hedging activity; and
 - Cash held at third party real estate asset managers.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
January 1, 2018 - January 31, 2018

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Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors				Debtor-Controlled Entities	Total Debtors and Debtor-Controlled Entities	
	LBHI	LBSF	LCPI	Other	Total	Total	
Beginning Free Cash and Investments (01/01/18)	\$ 265	\$ 116	\$ 44	\$ 27	\$ 452	\$ 123	\$ 575
Sources of Cash							
Loans (Corporate and Residential)	5	-	7	-	12	0	12
Private Equity / Principal Investing	-	-	-	-	-	7	7
Derivatives	-	3	-	-	3	-	3
Receipts from Affiliates	(a) 37	3	-	0	40	-	40
Other	8	0	0	0	9	0	9
Total Sources of Cash	50	7	7	0	64	7	71
Uses of Cash							
Non-Operating							
Commercial Real Estate	(0)	-	-	-	(0)	-	(0)
Private Equity / Principal Investing	-	-	-	-	-	(0)	(0)
Other	(0)	-	-	-	(0)	-	(0)
Operating Expenses	(b)						
Compensation and Benefits	(c) (27)	-	-	-	(27)	(1)	(28)
Professional Fees	(13)	-	-	-	(13)	(0)	(13)
Other	(1)	(0)	(0)	(0)	(1)	(0)	(1)
Total Uses of Cash	(42)	(0)	(0)	(0)	(42)	(1)	(43)
Total Cash From Operations	8	7	7	0	23	5	28
Post-Petition Inter-Company Receipts	1	-	-	1	2	2	4
Dividend Receipts	1	-	-	-	1	-	1
Total Inter-Company Transfers Receipts	2	-	-	1	3	2	5
Post-Petition Inter-Company Disbursements	(3)	-	-	-	(3)	(1)	(4)
Dividend Disbursements	-	-	-	-	-	(1)	(1)
Total Inter-Company Transfers Disbursements	(3)	-	-	-	(3)	(2)	(5)
Payments to Creditors - Non-Controlled Affiliates	-	-	-	-	-	(0)	(0)
Payments to Creditors - Other	(0)	-	(1)	-	(1)	-	(1)
Total Payments to Creditors	(0)	-	(1)	-	(1)	(0)	(1)
Other	2	0	0	0	2	0	2
Reclass from/(to) Restricted Cash to Free Cash	0	-	-	-	0	(0)	0
Net changes in Free Cash and Investments	9	7	7	1	24	5	29
Ending Free Cash and Investments (01/31/18)	275	123	51	28	477	128	604
Beginning Restricted Cash (01/01/18)	1,730	439	2	119	2,291	21	2,312
Other	(0)	-	-	-	(0)	0	(0)
Net Changes in Restricted Cash	(0)	-	-	-	(0)	0	(0)
Ending Restricted Cash (01/31/18)	1,730	439	2	119	2,290	21	2,312
Beginning Total Cash and Investments (01/01/18)	1,996	555	46	146	2,743	144	2,887
Net changes in Free Cash and Investments	9	7	7	1	24	5	29
Net changes in Restricted Cash	(0)	-	-	-	(0)	0	(0)
Ending Total Cash and Investments (01/31/18)	\$ 2,004	\$ 563	\$ 53	\$ 147	\$ 2,767	\$ 149	\$ 2,916

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
January 1, 2018 - January 31, 2018

Unaudited (\$)

Notes:

- (a) Receipts from Affiliates primarily include (i) \$32 million from Lehman Brothers Japan Inc. to LBHI, and (ii) \$5 million and \$3 million from Lehman Brothers Treasury Co B.V. to LBHI and LBSF, respectively.
- (b) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Debtors and Debtor-Controlled Entities.
- (c) Compensation and Benefits paid in January 2018 includes contractual payments to Lehman employees of approximately \$24 million for services performed in 2017.